

Appeal No: VA17/5/106

**AN BINSE LUACHÁLA
VALUATION TRIBUNAL**

**AN tACHTANNA LUACHÁLA, 2001 - 2015
VALUATION ACTS, 2001 - 2015**

KEEN PRINT LTD.

APPELLANT

AND

COMMISSIONER OF VALUATION

RESPONDENT

In relation to the valuation of

Property No. 5006801, Retail (Warehouse) at 11B/Unit Roscommon Business Park,
Roscommon, County Roscommon.

B E F O R E

Dearbhla Cunningham - BL

Deputy Chairperson

Pat Riney – FSCSI, FRICS, ACI Arb, FIABCI, PC

Member

Thomas Collins – PC, FIPAV, NAEA, MCEI, CFO

Member

**JUDGMENT OF THE VALUATION TRIBUNAL
ISSUED ON THE 10TH DAY OF JUNE, 2019.**

1. THE APPEAL

1.1. By Notice of Appeal received on the 4th day of October, 2017 the Appellant appealed against the determination of the Respondent pursuant to which the net annual value ‘(the NAV)’ of the above relevant Property was fixed in the sum of €16,440.

1.2. The Grounds of Appeal are fully set out in the Notice of Appeal. Briefly stated they are as follows:

1.2.1. The Valuation of the subject property is excessive and inequitable. The property’s value as applied by the Commissioner is not in line with its open market rental value.

1.3. The Appellant considers that the valuation of the Property ought to have been determined in the sum of €10,400.

2. REVALUATION HISTORY

2.1. On the 12th day of January, 2017 a copy of a valuation certificate proposed to be issued under section 24(1) of the Valuation Act 2001 (“the Act”) in relation to the Property was sent to the Appellant indicating a valuation of €15,400.

2.2. Being dissatisfied with the valuation proposed, representations were made to the valuation manager in relation to the valuation. Following consideration of those representations, the valuation of the Property was increased to €16,440.

2.3. A Final Valuation Certificate issued on the 7th day of September, 2017 stating a valuation of €16,440.

2.4. The date by reference to which the value of the property, the subject of this appeal, was determined is the 30th day of October, 2015.

3. THE HEARING

3.1. The Appeal proceeded by way of an oral hearing held in the offices of the Valuation Tribunal at Holbrook House, Holles Street, Dublin 2, on the 20th day of March, 2018. At the hearing the Appellant was represented by the Mr Eamonn Halpin BSc (Surveying, MRICS, MSCSI) and the Respondent was represented by Mr Patrick Nolan BSc Hons (Property Valuation) of the Valuation Office.

3.2. In accordance with the Rules of the Tribunal, the parties had exchanged their respective reports and précis of evidence prior to the commencement of the hearing and submitted them to the Tribunal. At the oral hearing, each witness, having taken the oath, adopted his précis as his evidence-in-chief in addition to giving oral evidence.

4. FACTS

4.1. From the evidence adduced by the parties, the Tribunal finds the following facts:

4.1.1. The subject property is a commercial unit in Roscommon Business Park.

4.1.2. The agreed floor area is 274 sqm. and comprises three previously separate properties.

4.1.3. The property is a print works comprising a small trade counter/reception area to the front of the premises. A printing area also to the front and extending to the middle of the premises and a storage area to the rear of the premises.

4.1.4. The property is a ground floor modern building with three metre headroom. The property is located in Block B of a business park on the Golf Links Road just outside Roscommon Town. The business park is laid out over two blocks namely Block A which has road frontage and Block B which is less visible from the road. Part of Block B is visible from the road but part is obscured by Block A and this part includes the subject property.

4.1.5. All units are currently occupied within the business park.

5. ISSUES

5.1. This is a quantum only appeal. The Appellant contended for a valuation based on a rate of €36 per sqm. and the Respondent contended for a valuation based on a Zone A retail use at €60 per sqm.

6. RELEVANT STATUTORY PROVISIONS:

6.1. The net annual value of the Property has to be determined in accordance with the provisions of section 48 (1) of the Act which provides as follows:

“The value of a relevant property shall be determined under this Act by estimating the net annual value of the property and the amount so estimated to be the net annual value of the property shall, accordingly, be its value.”

6.2. Section 48(3) of the Act as amended by section 27 of the Valuation (Amendment) Act 2015 provides for the factors to be taken into account in calculating the net annual value:

“Subject to Section 50, for the purposes of this Act, “net annual value” means, in relation to a property, the rent for which, one year with another, the property might, in its actual state, be reasonably be expected to let from year to year, on the assumption that the probable annual cost of repairs, insurance and other expenses (if any) that would be necessary to maintain the property in that state, and all rates and other taxes in respect of the property, are borne by the tenant.”

7. APPELLANT’S CASE

- 7.1. Mr Halpin gave evidence for the Appellant. The Appellant contended for a valuation based on €36 euro per sm.
- 7.2. The Appellant relied on its key tone of the list comparisons. The Appellant’s key tone of the list comparison was located outside the business park but on the other side of the Golf Links Road across the road from the business park with full profile to the road and independent parking to the front. It comprises a car and motor showroom valued at €36 per sqm. The Appellant relied on that in support of its valuation of €36 per sqm.
- 7.3. The Appellant relied on one comparison from Block B namely Unit 2 which was valued as an industrial unit of approximately similar size at a rate of €30 per sqm. It also relied on a unit located to the rear of Block A which was valued as a warehouse again at €30 per sqm. and offices at a similar rate. It was noted in that regard that the unit had a 7m height containing a showroom with a suspended ceiling.
- 7.4. The Appellant also adduced evidence of market rental comparisons in Block A noting that the rental on Block A included the following: Unit 6 devaluing at €31.20 per sqm, Unit 7 devaluing at €36.77 per sqm and Unit 3 devaluing at €59.65 per sqm. Noting the latter was a better unit and was intended to be a retail unit.
- 7.5. The Appellant contended that the subject premises was a hybrid unit with limited value. It was in the style of an industrial unit but the height was such that it only extends to a maximum of 3 metres due to the offices above. It was contended that the units were not shops due to their type of construction nor did they comprise warehouses or retail warehouses due to their lack of height. The effect of this hybrid is a mix of retail / service and industrial use.

7.6. The history of the subject property was given as follows. It was first let on a four-year nine-month lease from the 1st of November 2012 at a rent of €5,720 for 40.60 sqm. to the front of the premises. The letting increased to an area of 188.8sm at a rent of €7,800 from the 1st of November 2015 and the property was let from the 1st of November 2016 at a rate of €10,243 in respect of 274sm to then include the rear of the unit. It was pointed out that the rate per sqm reduced as the property size increased. The Appellant contended that the problem with the valuation was that the property was classified as retail whereas in fact it was not suitable as a retail warehouse nor did it have road frontage.

8. RESPONDENT'S CASE

8.1. The Respondent relied on four key rental transactions in contending for a valuation rental of €60 per sqm. It noted that of those rental transactions there was subject to further consideration at both representation stage and one of those key rental transactions is subject to an appeal.

8.2. The Respondent relied on the following key rental transactions which devalued as follows: Eurona Brisknet at €72.54 psm, P.R. Reilly Ltd at €59.55, Supersavers at €58.17, S & B Mulry Ltd at €91.45, and Snap Fit Fitness Studio at €66.33.

8.3. The Respondent relied on the following key tone of the list comparisons: Retail warehouse at Fullards devaluing at €60, McNulty's lighting store devaluing at €60, Gerry McNulty devaluing at €60, and Gavin devaluing at €60, noting this was as small as the subject property.

9. SUBMISSIONS

9.1. This is quantum of appeal only and there are no legal submissions.

10. FINDINGS AND CONCLUSIONS

10.1. On this appeal the Tribunal has to determine the value of the Property so as to achieve, insofar as is reasonably practical, a valuation that is correct and equitable so that the valuation of the Property as determined by the Tribunal is relative to the value of other

comparable properties on the valuation list in the rating authority area of Roscommon County Council.

10.2. The Tribunal finds that the property is limited in its use as a warehouse due to the low ceiling height. It is also limited as a retail unit relative to the comparators used as retail units in circumstances where it is located in the middle of a block and obscured from view by the front block A. It finds that the valuation should differentiate between the reception area with the trade counter to the front of the unit as the most valuable part of the unit and remainder of the unit comprises the printworks and storage areas. The Tribunal considered the tone of the list comparisons relied on and on balance it preferred the Appellant's key tone of the list comparisons and in particular, Comparison No.4, Blueprint Autos, Golf Links Road, Roscommon, which is a car and motor showroom valued at €36 per sqm.

DETERMINATION:

Accordingly, for the above reasons, the Tribunal allows the appeal and decreases the NAV valuation of the Property as stated in the valuation certificate to €9,860 which is calculated as follows:

Commercial unit 274 sm at €36 psm = €9,864 say €9,860.

And the Tribunal so determines.